Manitoba Intercultural Council

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LOTTERIES COMMITTEE

REPORT

ON THE

MANITOBA INTERCULTURAL COUNCIL

AND THE

PROVINCIAL GAMING SYSTEM

MARCH 16, 1985

Manitoba

INTRODUCTION

In November 1983 the Manitoba Intercultural Council was asked to consider becoming the Multicultural Umbrella under the reorganized provincial gaming system. On March 31, 1984, the Manitoba Intercultural Council struck a Committee consisting of all the Executive members plus seven members of Council to fully investigate involvement in the gaming system and to come to an agreement with the Manitoba Lotteries Foundation if such was deemed advisable. An agreement with the Manitoba Lotteries Foundation was approved in principle on October 22, 1984 and was ratified by the Council on November 24, 1984. A separate committee, known as the Community Resources Allocation Committee, was then struck to develop criteria for the distribution of the Multicultural Umbrella's share of the Gaming System.

The Community Resources Allocation Committee (CRAC), on January 26, 1985, distributed to all ethnocultural organizations in the Province a discussion paper entitled "Manitoba Intercultural Council and the Provincial Gaming System: A Multicultural Umbrella". That discussion paper served as the basis for public meetings held by CRAC in Thompson, February 18, 1985, Brandon, February 20, 1985 and Winnipeg, February 21, 1985.

The responses received by CRAC indicated a widespread interest by ethnocultural organizations to become involved in the Gaming System through the Multicultural Umbrella, raised some very important considerations regarding CRAC's proposals for distributing the available resources, and indicated widespread concern and dismay about the way in which the Gaming System was reorganized and in particular the way in which the umbrella shares were arrived at.

The Community Resources Allocation Committee has considered very seriously all the representations made and is pleased to submit its final report.

BACKGROUND

In October 1983 Honourable Larry Desjardins announced changes to the structure of the Gaming System in Manitoba which would reflect the Government's basic concerns with gaming in the Province. The basic thrust of the changes would be to give the Manitoba Lotteries Foundation much greater involvement in the administration of gaming and to more directly include communities through the concept of umbrellas. The Government's concern was to put in place adequate controls and protection for the public and to ensure that all communities received an equitable distribution of gaming funds.

The Manitoba Lotteries Foundation has established categories of licensing based on 1982 and 1983 applicants for licenses. These categories, or umbrellas, are: Multiculturalism; Arts; Sports; Community Service; Community Education; Medical Research; Festivals, and Heritage. By placing individual licensees into these umbrellas, the Manitoba Lotteries Foundation has calculated a group share of all gaming revenue generated in a year. This group share serves as the basis for allocating bingo and casino events and the Gaming Fund under the new system.

The sharing of revenue developed by the Manitoba Lotteries Foundation under the umbrella system was designed in two ways:

A. For those umbrella groups with a specific and generally small clientele, methods of funding of a specific nature were assigned. For example, Medical Research is to receive commissions on the sale of all break-open tickets in hotels; Community Education and Heritage will be funded through casinos. Those groups assigned casino dates were specifically given more dates than money earned in 1982 because they will not share from any other revenue from the Gaming Fund and will not receive the increasing revenues as the Gaming Fund grows.

B. The remaining groups, with a larger clientele, were distributed funds in proportion to the amount their group shared in lottery revenue in 1982. This allows for the apportionment of funds based on 1982 sharing and allows each group to grow in a similar fashion.

1. Remaining casino days will be shared among Community Service, Sports, Arts and Multiculturalism. Multiculturalism is allocated four casino days.

2. Remaining bingo days will be distributed among Community Service, Sports, Arts and Multiculturalism. Multiculturalism is allocated fifteen percent (15%) of the bingo dates (approximately 190 evening bingo events).

These proportions are based on the same proportions that these groups shared in bingos in 1983.

The Gaming Fund consists of lottery ticket revenue, license fees and Break-Open revenue. This Fund will be shared between Community Service, Sports, Arts, Multiculturalism and the Province. As well, an equalization fund equal to 10% of the Gaming Fund will be set up for the following purpose:

A. To equalize revenue to any of the umbrella organizations which may earn significantly less than originally anticipated.

B. To fund worthwhile, special projects which do not fall under any umbrella and government funding.

C. The remainder of the Fund after A and B have been approved will be distributed to the umbrella groups (sharing in the Gaming Fund) and the Province in the same proportion that they share in the Gaming Fund.

According to the most recent information available from the Manitoba Lotteries Foundation, if this system had been in place in 1983-84, the umbrella shares would have been:

A)	Multiculturalism			
	Bingo	$316,014		
	Casino	104,948		
	Gaming Fund	331,575	$ 752,536	3.1%
B)	Sport			
	Bingo	$948,034		
	Casino	209,895		
	Gaming Fund	2,984,172	4,142,101	17.2%
C)	Arts			
	Casino	$104,948		
	Gaming Fund	2,129,059	2,234,007	9.3%
D)	Community Service			
	Bingo	$632,022		
	Casino	209,895		
	Gaming Fund	2,286,120	3,128,037	13.0%
E)	Others Including Medical Research, Community Education, Festivals, Heritage		4,161,454	17.2%
F)	Province		7,975,244	33.0%
G)	Equalization Fund		1,745,310	7.2%
TOTAL			$24,138,689	100.0%

The responsibility of the Manitoba Intercultural Council as the Multicultural Umbrella is to allocate bingo events to organizations, to select participants for one four-day casino each year, and to distribute the proceeds of the Gaming Fund.

COMMUNITY RESOURCES

The Community Resources Allocation Committee reaffirms the following fundamental considerations which have guided the Manitoba Intercultural Council in its development of a framework for involvement in the Gaming System:

1. This is community money.
2. Volunteers are essential.
3. Every eligible organization must have access to all the Multicultural Umbrella's resources. Equality of access is a fundamental principle.
4. This is not Government money and cannot be considered as such.
5. A continuing Government commitment to multicultural funding must be ensured.
6. Duplication of funding from other sources should be avoided.
7. All allocations must be for programs and/or activities of benefit to the specific or broad ethnocultural communities within Manitoba. Excluded from support would be social or fund-raising events, or activities other than an organization's own operations.

The Manitoba Intercultural Council regards the funds available in the Gaming System as **Community Resources**, not as money which is being granted to organizations. Hence, the Council views its role as one of reallocating community resources to individual organizations. Further, the Council will not receive any funds from the Gaming System except to pay for properly verified administrative costs and the Council is committed to using no more than 5% of the Multicultural Umbrella's revenues for administrative costs. Finally, if those administrative costs are less than 5% of the Multicultural Umbrella's total revenue, the remainder will be reallocated back to community organizations.

ELIGIBILITY

As the Multicultural Umbrella, the Manitoba Intercultural Council is committed to distributing resources in a fair and equitable manner to charitable multicultural organizations which are members of the Umbrella. The Manitoba Lotteries Foundation assigns members to the Umbrella and the Umbrella must consider requests for resources from all organizations which have been assigned to the Umbrella. The Manitoba Lotteries Foundation has agreed that the membership of the Manitoba Intercultural Council will serve as the base membership of the Multicultural Umbrella and that all new members of the Manitoba Intercultural Council will become members of the Multicultural Umbrella. However, membership on the Manitoba Intercultural Council cannot be a requirement for funding.

MINIMUM REQUIREMENTS

Every organization must meet certain minimal requirements in order to be eligible to apply for community resources. It is proposed that those requirements be:

1. An organization must have been in existence at least one year.

2. An organization must have a constitution or by-laws defining the nature, objectives and tasks of the organization, which constitution or by-laws must be filed with the Manitoba Intercultural Council.

3. An organization must be a non-profit organization which statement of charitable, education or service aim shall be clearly identified in the organization's constitution or by-laws (neither incorporation nor registration with Revenue Canada - Taxation is a requirement).

4. Full accountability is required. Accountability will include the presentation of a budget, financial statements disclosing the operations of the organization and accountability of previous year's allocation (if any).

EXCLUSIONS

Unless one is the only organization of an ethnocultural population group in Manitoba, the following are not eligible to apply for funds:

1. Churches and church parish executives.

2. National organizations.

3. Organizations whose guiding objectives are political/ideological.

Under no circumstances will the following organizations be eligible to apply for resources:

1. National organizations headquartered in Manitoba which are composed of and serve several specific ethnocultural population groups/organizations, or specific interest organizations from those population groups.

2. Ad hoc committees or sub-committees of organizations.

3. Federal Departments and Crown Agencies.

4. Provincial Departments and Crown Agencies.

ALLOCATIONS

The Community Resources Allocation Committee has considered at length and in detail the representations made about the formula for allocation proposed in the January 26, 1985 Discussion Paper. It was apparent to the Committee that, in attempting to provide something to all with the limited resources of the Multicultural Umbrella, it had devised a system safisfactory to none. Both large organizations and small, representatives of new communities and of long-established ones, strongly asserted that the proposed method of allocation was unfair to them.

The Community Resources Allocation Committee has taken these representations very seriously. CRAC proposes that the following be the method of allocating the Multicultural Umbrella's resources next year:

1. The resources available to the Multicultural Umbrella will be known as the Ethnocultural Community Support Fund.

2. a) The Multicultural Umbrella will provide up to 50% of the budget for operations and projects. In special cases, up to the full cost of small budgets may be provided.

   b) All activities by an ethnocultural organization which are of benefit to the organization or to the ethnocultural community will be considered for support. For example, applications for Community Support funds may be made for operational funding, capital projects, intercultural activities, and new and innovative projects. Among those few things which would be excluded from support are social events, prize money, fund-raising events (e.g. food and liquor at Folklorama) and support of fund-raising organizations for activities other than the organization's own operations.

   c) Particular consideration will be given to organizations 75 kilometers or more from Winnipeg, in recognition that most such organizations will likely be unable to participate in bingo events and the Multicultural Casino.

   d) Seed money for the establishment of organizations for new ethnocultural communities will be considered.

3. Eligible organizations may receive Community Support funds by sharing in the Multicultural Casino, by being assigned to bingo events and by disbursements from the Gaming Fund.

4. a) Applications will be received on a quarterly basis.

   b) Budgets and proper financial statements including accountability of the previous year's allocation (if any) must be submitted with applications.

ALLOCATIONS (Continued)

c) Organizations allocated bingo events must be able to provide 25 (twenty-five) volunteers. Organizations allocated to the casino must be able to provide a minimum of 60 (sixty) volunteers. Joint applications will be considered and are encouraged.

d) Organizations may be moved from a bingo allocation to the casino, with that organization's agreement, if there are not enough organizations and volunteers to staff the casino.

5. Each successful application will receive first an approval in principle followed by a letter to the organization indicating the commitment in principle subject to satisfactory assurances of additional funding. Upon receiving those assurances, the Community Support funds will be provided.

APPLICATIONS

Eligible multicultural organizations will make an application for resources to a committee of the Manitoba Intercultural Council known as the Community Resources Allocation Committee. The CRAC will be composed of the Chairperson of the Manitoba Intercultural Council, the five elected Directors of the Executive Committee, and an independent observer sitting in an ex officio capacity. The decision of CRAC is final.

The 1985 Multicultural Casino will be held on October 24 - 27, 1985. Groups will only be considered for allocation to the Casino if applications have been received before July 31, 1985.

Bingo dates will be allocated on a quarterly basis in 1985. The deadline for the first quarter (July 1 to September 30, 1985) applications will be April 30, 1985.

Experience has indicated that payouts from casinos and bingos are approximately two to three months after the event.

The Multicultural Umbrella's method of distributing revenues from the Gaming System will be thoroughly reviewed after one year of operation.

THE GAMING SYSTEM

The public meetings by the Community Resources Allocation Committee revealed unanimous support for the Manitoba Intercultural Council's decision to act as the Multicultural Umbrella. Further, the Council was commended for its commitment to consultation with its members before instituting a distributive system. The Committee was gratified with this response.

There was an overwhelming sense of dissatisfaction with the way in which the Manitoba Lotteries Foundation and the Provincial Government have undertaken the reorganization of the Gaming System, dismay at the complete lack of consultation with affected communities by the Manitoba Lotteries Foundation, confusion about the method of assigning organizations to umbrellas, a condemnation of the method by which umbrella shares were determined, and a rejection of the 3.1% share allocated to the Multicultural Umbrella as "insultingly small", totally inadequate, and "grossly inadequate".

These concerns are shared by the Manitoba Intercultural Council and should be addressed by the Council in its role as an advisory body on behalf of the ethnocultural communities to the Provincial Government.

There must be a clear explanation of the criteria used by the Manitoba Lotteries Foundation for assigning organizations to umbrellas. Criteria must be developed in consultation with the umbrellas and their constituents. A master list of organizations and the umbrellas to which they are assigned must be maintained by the Manitoba Lotteries Foundation so that verification of assignment can easily be made.

The ethnocultural communities of Manitoba have stated unequivocally that the share allocated to the Multicultural Umbrella does not address the needs of those communities and, in light of the Government's stated commitment to multiculturalism, is an insult to those communities.

The ethnocultural communities of Manitoba reject the premises and methods by which umbrella shares were determined. These shares were developed without consultation and apparently without any assessment of future needs. The Manitoba Intercultural Council should call upon the Provincial Government and the Minister Responsible for Lotteries to commission an independent assessment of the needs of the various communities and to adjust the umbrella shares if such is warranted.